

FISCAL IMPACT STATEMENT ON BILL NO. **S860 SA**
(Doc. No. 860R005.WGR)

TO:	The Honorable Greg Ryberg, Chairman, Senate Labor, Commerce, and Industry Committee		
FROM:	Office of State Budget, Budget and Control Board		
ANALYSTS:	Earle Powell		
DATE:	April 2, 2008	SBD:	2008204

AUTHOR:	Senate Labor, Commerce, and Industry Committee	PRIMARY CODE CITE:	58-5-390
SUBJECT:	Fire Sprinklers		

ESTIMATED FISCAL IMPACT ON GENERAL FUND EXPENDITURES:
Minimal (Some additional costs expected but can be absorbed)

ESTIMATED FISCAL IMPACT ON FEDERAL & OTHER FUND EXPENDITURES:
Minimal (Some additional costs expected but can be absorbed)

BILL SUMMARY:

This amendment provides that a publicly or privately owned utility may not impose a tap fee, other fee, or a recurring maintenance fee of any nature for the installation and maintenance of a fire sprinkler system. The amendment also authorizes the Public Service Commission to regulate the fees to ensure compliance. Further, a tax credit is allowed for a taxpayer who installs a fire sprinkler system in a commercial or residential structure.

EXPLANATION OF IMPACT:

The Department of Revenue indicates this Bill will have a minimal impact on the General Fund of the State, which can be absorbed at the current level of funding. The Public Service Commission (PSC) indicates that this amendment will have no discernible impact on the agency. The Office of Regulatory Staff would provide the staff portion and auditing functions for PSC on this bill and reports that this proposal should have minimal impact on their operations.

LOCAL GOVERNMENT IMPACT:

This amendment would require tap and maintenance fees to be regulated by the Public Service Commission (PSC). Subject to a rate study hearing by PSC, there would be an additional cost to a publicly or privately owned utility.

SPECIAL NOTES:

The Board of Economic Advisors is the appropriate entity to address any revenue impact associated with this Bill.

Approved by:



Harry Bell
Assistant Director, Office of State Budget